



# K A N S A S

JOHN P. SMITH, ADMINISTRATOR

DEPARTMENT OF CREDIT UNIONS

KATHLEEN SEBELIUS, GOVERNOR

**DATE:** November 21, 2007  
**BULLETIN:** 2007-KDCU-CUB-09  
**TO:** Management of Kansas chartered credit unions  
**SUBJECT:** Visa, Inc. Stock

Visa Inc. recently announced completion of a restructuring that will result in Visa Inc. issuing common stock to members of Visa U.S.A., including credit unions. In the prospectus associated with this issuance of stock, Visa has stated "we expect that federal or state-chartered credit unions may be required to seek the advice of their relevant federal and state regulators in connection with the receipt and holding of our common stock." Visa Proxy-Statement Prospectus, dated June 22, 2007, at p.28.

The National Credit Union Administration (NCUA) on November 1, 2007, released a legal opinion regarding the receipt by federal credit unions of stock in Visa, Incorporated. In this opinion, NCUA stated it is acceptable for federal credit unions to receive common stock of Visa, Inc. because it is a by-product of lending, and does not require federal credit unions to invest in an otherwise impermissible investment. This despite the fact the Federal Credit Union Act does not authorize federal credit unions to invest in the stock of companies other than credit union service organizations (CUSO's). The legal opinion can be found on the NCUA website at:

[http://ncua.gov/RegulationsOpinionsLaws/opinion\\_letters/2007/2007/07-1022\\_110207.pdf](http://ncua.gov/RegulationsOpinionsLaws/opinion_letters/2007/2007/07-1022_110207.pdf)

The NCUA opinion states that state-chartered credit unions should consult with the appropriate state supervisory agency about the permissibility of their receipt of the stock and any regulatory restrictions that may apply. As your state regulator, the Kansas Department of Credit Unions (KDCU) concurs with the NCUA legal opinion of November 1, 2007 and will not object to any common stock of Visa, Inc. that a Kansas chartered credit union may eventually obtain and retain unless it is further determined this stock presents a safety and soundness concern. This is an exception to KDCU's Investment Guidelines issued pursuant to K.S.A. 17-2204a(c).

Please contact this office if you have questions regarding this Bulletin.

John P. Smith, Administrator

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